

DRAFT

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY (IDA) MINUTES OF MEETING May 19, 2014

Present

Board Members: Joshua Smith, Chairman
Mike Curry, Austin DuBois, Jimmy Mera, John Penney, Nancy Thomas
Absent: Richard Bedrosian (excused)
Counsel: Thomas Whyatt
Staff: Theresa Waivada, Executive Director

1. **Roll Call:** Mr. Smith called the meeting to order at 7:04 pm. A quorum is present.
2. **Proof of Notice of May 19, 2014 Meeting**
3. **Approval of the April 21, 2014 Minutes**

Mr. Penney: Motion to approve the April 21, 2014 minutes

Mr. Mera: Motion seconded.

Discussion: No discussion.

**VOTE: Approved by four votes (Curry, Mera, Penney, Smith),
Mr. DuBois abstained as he was not a member in April 2014.
Ms. Thomas joined the meeting 7:15pm.**

Request for Communications

Executive Director Teri Waivada advised that:

- A FOIL request has been received from Hudson Valley Press, Chuck Stewart concerning information on the cell tower. The director contacted Mr. Stewart to set a convenient time to review the file. The director is checking into whether the city is using the tower and if not, seek another tenant.
- USED A grant application re: Scobie Drive. The US Economic Development Administration suggested that the IDA become part of the grant application as the IDA owns the property. A Project Director will be hired for oversight on the project. The IDA Board suggested meeting with the Project Director, Littman, and the city quarterly so that an update on the project could be given to all interested parties at the same time. IDA Counsel Tom Whyatt spoke about the need to modify agreements with the City and 5 Scobie Drive Partners to fulfill obligations of the EDA grant.

Prior to authorizing the application, the Director asked that the language on resolution number one be modified by adding "or the Chairman" after Executive Director in the caption area, and also under number 3 after Executive Director, adding "and the Chairman." All present agreed with the changes.

U.S. Economic Development Administration (EDA) Application Authorization

Mr. Curry: Motion to approve Resolution No. 2014-5-19-1
Mr. DuBois: Motion seconded.
Discussion: With the IDA being a co-applicant, concerns were raised pertaining to its responsibility to match the EDA grant. Counsel assured the Agency that if the grant is approved, an agreement with the City and Developer would require that the matching share be the sole responsibility of Hudson Valley Lighting/5 Scobie Drive LLC.
VOTE: Unanimously passed.

- An email was received from NYS ABO concerning minor changes/corrections to the PARIS Report. The Executive Director and CFO Craig Skelly will make any necessary changes to the financial information.

5. Request for Bills; Treasurer's Report

Treasurer Mike Curry mentioned that an email was received regarding information submitted through the PARIS report. Mr. Curry stated he would like to convene an Audit/Financial Committee before the next board meeting to look into other financial institutions services, fees, etc., with the thought of sending out an RFP for banking services and discussing potential investment of funds. The director offered to check with the city on their RFP and its results.

Mr. Curry gave the Treasurer's Report as of April 21st. The opening balance is \$853,066.03, four vouchers and six checks totaling \$15,430.33, deposits totaling \$13,496.88, with a closing balance of \$851,132.58.

Applicants Funding account has a balance of \$30,012.69, which includes fifty cents (.50) in interest for the last month.

Mr. Penney: Motion to pay checks numbered 2151-2157
Ms. Thomas: Motion seconded.
Discussion: No discussion.
VOTE: Unanimously passed.

Resolution No. 2014-5-19-3, Authorization for Treasurer to Open a New Bank Account at KeyBank for Lessor Security Deposit(s), was presented for passage. It was suggested by the auditor that this account be set up to hold and keep lessor deposit funds separate from other funds.

Mr. Penney: Motion to approve Resolution No. 2014-5-19-3 as presented
Mr. DuBois: Motion seconded.
Discussion: No discussion.
VOTE: Unanimously passed.

6. Report from the Chair

Chairman Josh Smith reported on a workshop he attended at the library entitled, *Green Infrastructure*." Mr. Smith He distributed a two-page paper entitled, "What is Green Infrastructure?"

Mr. Smith also discussed the proposal from the Greater Newburgh Partnership that he sent to the board members on renovating the Broadway corridor (TIGER planning grant).

Chairman Josh Smith noted that the two new board members have taken the oath of office with the City Clerk. He also mentioned that there are two committee openings, one opening for each committee. He suggested that maybe Mr. Mera serve on the Audit/Finance Committee as he is knowledgeable about small businesses, and Mr. DuBois, as a lawyer dealing with laws and regulations, serve on the Governance Committee. After consideration, both men agreed that the suggestions made sense. Mr. DuBois is a new member of the Governance Committee, and Mr. Mera is a new member of the Audit/Finance Committee.

7. Report from the Executive Director

Executive Director Teri Waivada reported on a flyer received from Orange County Business Accelerator announcing “Stay tuned for an Exciting STARTUP NY Announcement.” As municipalities are part of the STARTUP NY program, it is noted that the City of Newburgh has not been consulted.

Mention was made that President Richards from Orange County Community College has announced his retirement. STARTUP NY projects prior to submission require a 30-day public review.

Mention was made of a meeting Wednesday night (5/21) concerning distressed properties in the city. Mr. Smith said that he attends the meetings of the advisory committee for this group.

Suggestion was made that a list be created on groups that the IDA wants to interact with and invite them to a board meeting.

8. Report from Counsel

IDA Counsel Tom Whyatt informed the board of the two legal notices received recently—one was a Petition for Leave to File a Late Notice of Claim (Deborah Danzy), and the other a Notice of Claim (Tamara Brown). Both of these claims are from incidents taking place at Belvedere Housing. Note is made that the Notice of Claim is for an incident from last February 2013 and the Notice was filed timely. Notices of Claim need to be filed within ninety (90) days of the incident. The IDA is being served as it owns the property. Our leases with the two other LLCs being served notice requires them to insure and indemnify the IDA. Mr. Whyatt received an emailed letter from an insurance carrier agreeing to defend the IDA in the Brown case (will provide copy) and the IDA agrees to cooperate with any investigation(s) in these matters. The insurer has not yet agreed to defend the IDA in the Danzy case. The IDA could become a defendant in either both or one of these cases.

Resolution No. 2014-5-19-2, A Resolution Authorizing Representation of the NIDA to defend against two personal injury claims made against the NIDA as owner and lessor of the Belvedere Housing Project, was presented for passage.

Mr. Penney: Motion to approve Resolution No. 2014-5-19-2

Mr. DuBois: Motion seconded.

Discussion: No discussion.

VOTE: Unanimously passed.

Mr. Whyatt updated the board on the status of the Corwin Court PILOT collection. The city is owed money for PILOT payments. Under the IDA’s lease with Corwin Court, the IDA can take action on the default with thirty (30) days notice. If Corwin pays before May 30th, the amount owed is \$185,435.24.

After that date, the amount increases to \$187,417.95 through the 30-day period (from May 16th). There is no refinancing without the IDA's authorization.

Mr. Whyatt informed the board on the status of the Northeast Development/IDA re: West Street Project. In going through the documents, he did not find anything in the agreements that prevents the IDA from selling the properties to someone other than NorthEast Industrial Development LLP. The most recent agreement has a provision concerning a construction plan to be done by 2006. During that period, NorthEast Industrial Development LLP could buy one property and then they would be able to buy more or all of the properties for \$20,000 per property, and an additional \$10,000 to go towards the repayment of the \$50,000 loan. As of 2006, IDA is under no obligation to sell properties to NorthEast Industrial Development LLP, and NorthEast Industrial Development LLP has no claims on the property.

Master Sales Agreement will have the requirements that EDA imposes on the sale of the property.

Mr. Whyatt discussed the reduced assessment for the Scobie Drive parcel. He received notice that it had gone down about \$1,500. IDA's assessor had valued the property at \$0 due to the remediation work that is needed on the property. The IDA will need to do an appraisal of the property At the time of conveyance to 5 Scobie Partners LLC.

9. **Committee Reports**

Audit Committee: No report to present at this time.
Governance Committee: No report to present at this time.

10. **Old Business**

Mr. Penney told everyone that at the last City Council meeting, it had come up that IDA's property on West Street needs to be cleaned up. Teri Waivada mentioned that she was just informed about the situation and that the IDA has been asked to clean up the property. She will obtain costs for the clean-up.

The Article 78 with the city is an open issue that still needs to be addressed, along with others. Do you want to have an executive session with the City Council? After some discussion, Mr. DuBois made a motion that the IDA meet with the new city manager, seconded by Jimmy Mera, and unanimously approved. The meeting will start the dialogue about issues that are open between the city and the IDA and seek to find resolutions.

11. **New Business**

Board Member Nancy Thomas will not be able to attend the June board meeting and asked to be excused.

Next month a Foundry report will be due.

12. **Adjourn**

On a motion made by Jack Penney, seconded by Mike Curry, and unanimously passed, the board adjourned the meeting at 9:04 p.m.

The next meeting of the Agency is tentatively set for June 16.